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Electronic commerce









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Vol. 1, No. 2

# Electronic Commerce

Government  
Publications

## Extranets: low-cost extended networks

Extranets are a new application of Internet technology that may be just the thing for small businesses looking to set up an extended computer network.

Until now, only large companies that could afford to buy or lease the infrastructure could have a network that stretched across town or around the world. Using an Extranet can be far less expensive than using a wide area network to move information around, and Extranets are also cheaper and more flexible than electronic data interchange.

The new networks run on software called protocols, developed to allow computers on the Internet to communicate with one another. Unlike most other network software, Internet protocols are open, meaning they can be used with a wide variety of hardware and software connections. Many organizations have already taken advantage of this flexibility and use Internet software such as browsers on internal networks called Intranets.

Extranets take the same approach and apply it outside the organization using a new Internet technology called a tunnelling protocol. This software creates a private "tunnel" inside the existing



Internet connections that transfer information only between designated computers. Most Extranet users also encrypt information to provide additional security.

Extranets are ideal for connecting a number of offices in different locations or for creating a network that will allow you and your strategic partners or key clients to work together more efficiently.

There are three major factors to review when considering an Extranet:

- your business needs
- your security requirements
- the culture of your organization.

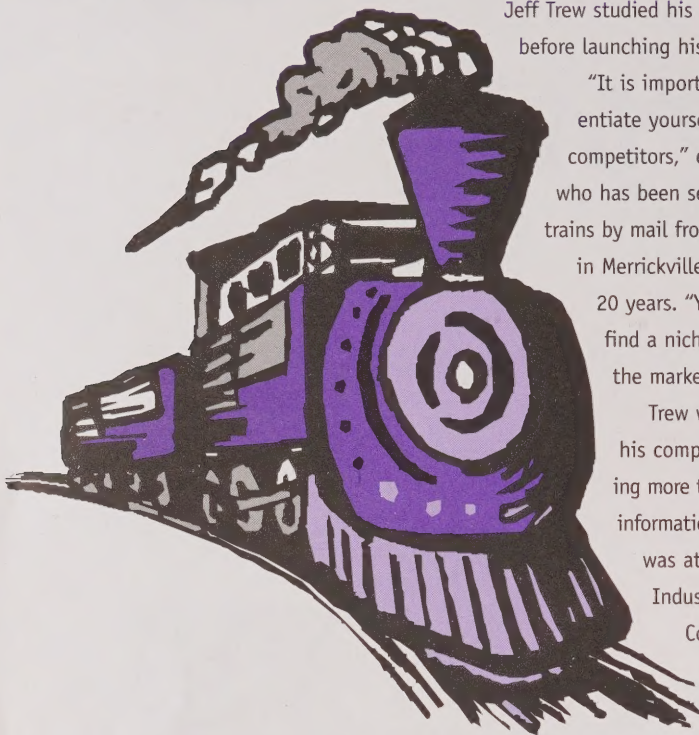
A key question in regard to all three is: Are you and your colleagues comfortable and adept at using Internet technology? If you are, and especially if you already have an Intranet, an Extranet could give you the competitive edge you have been looking for.



Canada



# Lark Spur Line switches onto the Internet



Jeff Trew studied his competition before launching his Web page.

"It is important to differentiate yourself from your competitors," explains Trew, who has been selling model trains by mail from his store in Merrickville, Ontario, for 20 years. "You have to find a niche to get into the market."

Trew wanted to outdo his competitors by offering more than just product information on-line. He was attracted to Industry Canada's Community

Storefronts project (See "Find out how electronic commerce can work at Community Storefronts" below) because it allows customers to make credit card purchases on-line.

Understanding client needs is also important, adds Trew. For example, he set up his page so visitors can easily find limited-edition products, as well as new and sale items.

Trew joined Community Storefronts in May and put up his site in August. His current challenge is to bring customers to the site through advertising and word-of-mouth. The latter approach produced his first sale shortly after the site opened. Take a ride to the Lark Spur Line at <http://www.gestorefronts.com/lan/larkspur/>

## Find out how electronic commerce can work at Community Storefronts

Industry Canada and several leading providers of electronic commerce services have combined their efforts to show businesses how they can operate on-line.

Community Storefronts is giving hundreds of Canadian businesses and non-profit organizations a chance to experiment with electronic commerce (and there is still room for a few more to take part). In return for the support of service and technology providers and Industry Canada, the participating organizations will share their experience so that other businesses and non-profit

organizations can evaluate electronic commerce.

One of the big benefits offered to participants and their clients is Canada's most secure on-line payment system (see "Reassure your clients with a secure payment system" on page 4).

Many participants are already drumming up business. Everything from sales of patio furniture and model trains to charitable donations has happened through the participating groups' Web sites. Visit Community Storefronts <http://www.communitystorefronts.com>



## Let us know what you think

Let us know what information you would like to see in *Electronic Commerce* so we can serve you better.

Please send your comments by E-mail at [ecommerce@ic.gc.ca](mailto:ecommerce@ic.gc.ca)

You can also find a longer electronic version of this newsletter online at <http://strategis.ic.gc.ca/SSG/mi05426e.html>



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# Government agency blazes trail for electronic commerce

Industry Canada's Investment Review Division (IRD) was keen to find new ways to serve clients and work better when it began looking into electronic commerce two years ago.

The organization already had a Web site (<http://investcan.ic.gc.ca>) with information about the legislation it administers, the *Investment Canada Act*, and was looking to find a more efficient way for its clients to submit applications.

"Our Web site has eliminated 95 percent of the work we used to have to do mailing out information packages," says

Michel Charlebois, a certification officer at IRD. The site is simply organized and so easy to use that clients don't even need a search engine to find the information they are looking for, he adds.

IRD's next move was to launch a pilot project for its clients to send information in through the Internet. "Many of the law firms representing investors were sending applications by fax because that is quick, but we and they wanted something more secure," explains IRD Director Peter Caskey.

The organization contracted with an Ottawa firm, General Network Services, to set up a system using the Entrust public key encryption system. The software is compatible with commonly used office suite software, so most clients have no extra equipment to buy or costs to incur to handle electronic forms.

"With the new system, the protected information is encrypted at the client's desktop and decrypted at our desktop," says Denis Pepin, another certification officer. The data are never "in the clear" on the Internet.

The new system also cuts down on overhead and speeds up turnaround times, he adds.

After a year of developing and beta testing with clients, the first E-filing, at the end of May 1998, came through flawlessly, says Charlebois. Ease of use is also a major selling point for clients, he says.

## Canada's E-commerce strategy

The federal government has a clear strategy for supporting the adoption of electronic commerce by Canadian businesses. Its efforts fall into four main categories:

- building trust and confidence in the digital marketplace by ensuring that transactions can be secure and private and that safeguards are in place to protect business and consumers
- reviewing and clarifying marketplace rules (including tax laws and intellectual property laws) to make sure that they are appropriate for electronic commerce and do not cause impediments for businesses looking to enter this new field
- strengthening the country's information infrastructure by ensuring that all Canadians have access to electronic networks and helping create standards that will make networks more open
- maximizing the jobs and economic growth potential by developing awareness and skills among Canadians and

encouraging small and medium-sized enterprises to adopt this business tool.

Industry Canada has had many initiatives in these areas under way for some time now, including the Community Access Program, which is helping all Canadians benefit from the Information Highway (see Vol. 1, No. 1 of *Electronic Commerce* for more information). In addition, over the next few months the government will release a cryptography policy, introduce privacy legislation, issue proposed consumer guidelines and table an act to establish the legal status of electronic documents and signatures.

Industry Canada has also been working closely with the private sector to develop a strategy to make Canada a world leader in using and developing electronic commerce by the year 2000. Private industry will also play an important role at an international conference on electronic commerce in Ottawa this fall (see "Canadian business plays major role in OECD conference" on page 4).





# Canadian business plays major role in OECD conference

Canada's electronic commerce and high tech industry will be front and centre when government ministers and private sector representatives from 40 countries meet in Ottawa this fall to discuss electronic commerce.

"A Borderless World: Realising the Potential of Global Electronic Commerce," hosted by the federal government and the OECD (Organisation for Economic Co-operation and Development), will be held October 7 to 9. Delegates will discuss some of the policy issues surrounding global electronic commerce including taxation, privacy protection, consumer issues and electronic authentication.

The private sector will be represented on the 29 OECD country delegations and at an industry-organized showcase of electronic commerce applications.

## See it all on the Web

Canada will deliver on the promise implicit in the name "A Borderless World."

Anyone with access to the World Wide Web will be able to follow the conference and see proposed approaches to electronic commerce from the private sector. The conference will be shown over the Web using new technology called "Webcasting."

To learn more, bookmark <http://www.ottawaoecdconference.org> and log on October 7, 8 and 9.



## Reassure your clients with a secure payment system

Providing clients with a safe and secure way to buy goods on-line is one of the most important challenges facing businesses wanting to take advantage of electronic commerce.

Industry Canada's Community Storefronts project showcases one innovative solution through its partners, Strategic Profits Inc., GE Capital Information Technology Solutions, TouchNet Canada and the Royal Bank of Canada.

A customer enters his or her credit card information and submits it. That information is automatically encrypted

by the secure server and is sent directly to the bank. The bank then processes the transaction, deposits the money to the business's account and sends the customer a receipt.

The entire process is completed in six seconds or less for purchases made with any one of six major credit cards.

Three elements of this system make it especially secure:

- The server that customers enter information into is secure.
- The computer encodes the credit card information before sending it using

the highest level of encryption available on the Internet (128-bit encryption).

- The information goes directly to the bank.

This last safeguard also benefits merchants. Because the credit card information is never in their hands, they do not have to worry about protecting it.

You can test drive the system for yourself by visiting the Community Storefronts site (<http://www.communitystorefronts.com>) and clicking on "Payment Server Test."



CAI  
IST  
-E41

Industrie Canada



Vol. 1, No. 1

# Electronic Commerce

Government  
Publication

## Prime commercial space with tremendous potential now available

The Internet is revolutionizing the world of electronic commerce. For years dominated by big business, this fast-growing market is now open to businesses of all sizes.

With the Internet, you can now set up shop on the Information Highway and welcome customers from all over the world — 24 hours a day, seven days a week.

What's more, you may not need to have full-time staff on hand to deal with customers. You can set up your Web site to direct your customers through a series of options and processes that present your products or services in the way you want. You can create an on-line presence to answer most of your customers' questions, backed by e-mail or phone facilities to help those with special needs or who want even more information.

What kinds of business can you do on-line? The only limits are your imagination and your willingness to work hard to exploit the possibilities presented by the Internet.

One common misconception is that electronic commerce is limited to technology-related products and services. Companies in every field are already

doing business on-line; some focus their efforts on advertising, while others have begun ringing up sales. Firms that sell information products and services (for

example, title searches and market data) now deliver their products electronically. Another popular option is to provide

*continues on page 2*

## SMEs moving onto the Internet

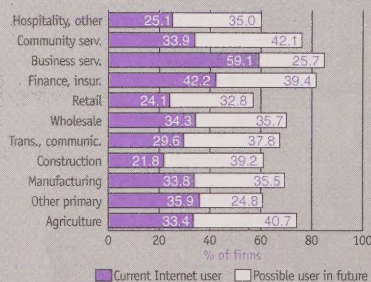
About two thirds to three quarters of small and medium-sized enterprises (SMEs) expect to be Internet-capable within the next few years.

A survey by the Canadian Federation of Independent Business shows that Internet use by SMEs rose 7 percent in the first quarter of 1997 alone. The number of sceptics among the 6761 business owners interviewed had also dropped significantly from previous studies.

Some kinds of business have been much quicker to take to the Internet than others. Business services companies are the heaviest early users, with almost 60 percent of respondents currently hooked up. Another 26 percent have the Internet in their future plans (see chart).

Retail business Internet use is expanding more slowly but this will probably change once more secure electronic commerce comes into widespread use (see "Law and order on the electronic frontier," page 3).

### SME Internet Use in the First Quarter of 1997, by Sector



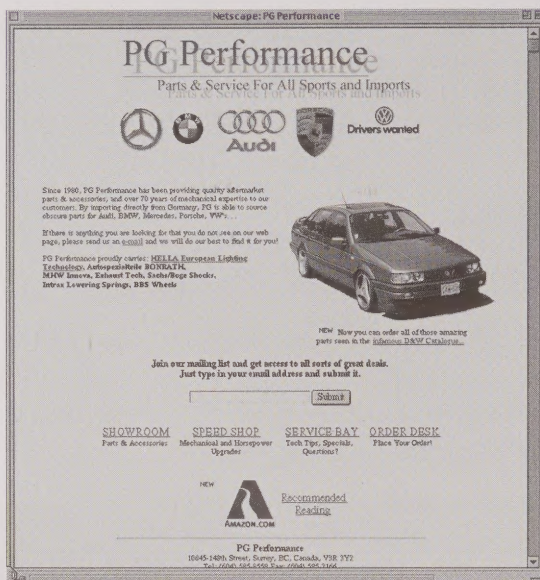
Source: Canadian Federation of Independent Business (<http://www.cfib.ca>), *Our Members' Opinions Survey #40*, (April 1997)



## Automobile parts company boosts marketing horsepower

The Internet is making it possible for PG Performance to reach luxury automobile owners all over the world at a reasonable cost.

The Surrey, British Columbia, firm has been in business since 1980, providing quality parts and accessories, as well as mechanical expertise, to car buffs. By importing directly from Germany, PG Performance can offer hard-to-find parts for Audi, BMW, Mercedes, Porsche and Volkswagen automobiles. The firm was ideally positioned to develop local, national and international niche markets through the Internet.



They contracted to have a Web site (<http://www.pgperformance.com>) developed for a total cost of less than \$3000 and went on-line on September 1, 1997.

Future plans include a "shopping cart" feature and secure credit card transactions, which the firm expects will lead to an immediate 15 percent increase in revenue.

## Prime commercial space

*continues from page 1*

post-sale support electronically. And this is just the tip of the iceberg!

Although some of the pioneers in the field are exclusively on-line businesses, many of the most promising opportunities exist for firms that have already established themselves in conventional markets and are looking for a way to reach more customers effectively (see "Automobile parts company boosts marketing horsepower," left).

In this newsletter, you will find information to help you assess your options for electronic commerce and valuable leads for getting started. There are also references to other sources of information, including a more detailed on-line version of the articles here.



### Let us know what you think

Let us know what sort of information you want in *Electronic Commerce* so we can serve you better.

Please send your comments by E-mail to [ecommerce@ic.gc.ca](mailto:ecommerce@ic.gc.ca)

## For more information

Strategis, Industry Canada's business information Web site contains a great deal of useful information about electronic commerce (<http://strategis.ic.gc.ca>). Here are a few good places to start:

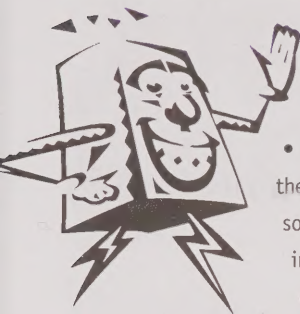
An electronic, and longer, version of this newsletter  
Canada's Information Highway Advisory Council (IHAC)  
Internet Research Resources  
Educational Articles and Self-help Guides  
Net Gain

<http://strategis.ic.gc.ca/SSG/mi05426e.html>  
<http://strategis.ic.gc.ca/SSG/ih01015e.html>  
<http://strategis.ic.gc.ca/80/SSG/mi02589e.html>  
<http://strategis.ic.gc.ca/SSG/mi03933e.html#library>  
<http://strategis.ic.gc.ca/netgain>





## How to make your on-line business consumer friendly



- Your customers want to know who they are dealing with. At a minimum, this means providing an address and telephone number.
- Consumers want to be able to limit the information they give you and have some control over what you do with that information (see "Privacy an important customer concern," page 4, for more details).
- You should provide clear and complete product information so shoppers know what you have to offer and your terms of sale (for example, warranties and exchange policy).
- You should provide a secure payment system, explain the risks involved and give customers an alternative to on-line payment.
- Even more than with other types of transactions, consumers need to know that you will make it right if something goes wrong.

Source: Office of Consumer Affairs, Industry Canada

## Build a ramp from your Main Street to the Information Highway

Businesses in your community can take advantage of electronic commerce.

The federal government's Community Access Program (CAP) helps all Canadians benefit from the Information Highway, making the Internet affordable to communities in rural, remote and urban settings across the country. Currently, CAP is helping to set up 5000 access sites in rural and remote communities and, further to the 1998 Budget, an additional 5000 access sites will be established in urban communities across Canada by the year 2000.

If you are interested in how CAP can help bring your community's businesses to the Information Highway and create local jobs, please contact the program.

Telephone: 1-800-268-6608

E-mail: [comaccess@ic.gc.ca](mailto:comaccess@ic.gc.ca)

Internet: <http://cap.unb.ca>

## Law and order on the electronic frontier

Have you ever bought anything with a credit card? If you have, then you know how easy it is.

A legal framework for electronic commerce is evolving through the efforts of governments and pioneering businesses to make electronic transactions just as simple and convenient as credit card ones.

For business people and consumers, many of the major concerns about electronic commerce relate to making and enforcing contracts.

As a business person, you want what lawyers call proof of "authentication, integrity and non-repudiation" when you make deals using electronic media. In plain language, you want to know that people are who they say they are, that

no one can change their offer after the fact and that people can be held to the commitments they make.

### Cryptography

Right now, the most promising solution to the issues related to making and enforcing contracts electronically is cryptography. Most people realize that cryptography is a method of encoding material but it can do much more than that.

Electronic signatures, for example, make it possible to prove that users are who they claim to be and can also show whether an electronic document has been altered since it was originally sent or received.

Businesses are beginning to use this technology to encrypt on-line communications and transactions. It can make those transactions more secure by protecting information and providing privacy as well as legal proof of contracts. Ultimately, it will build confidence in electronic commerce as people feel more comfortable knowing that they are protected in how they buy or sell on-line. Talk to your local solutions provider about securing your site.

This information on cryptography is drawn from *A Cryptography Policy Framework for Electronic Commerce — Building Canada's Information Economy and Society*, which is available on *Strategis* at: <http://strategis.ic.gc.ca/crypto>



# Canada hosts international conference on electronic commerce

The Honourable John Manley, Canada's Industry Minister, will host several hundred delegates from around the world to promote global electronic commerce.

Ministers from countries in the Organisation for Economic Co-operation and Development (OECD) and representatives of the private sector and international organizations will be in Ottawa from October 7 to 9, 1998. They will develop an international action plan that creates the right climate and level playing field so that business and consumers can feel confident using electronic commerce around the world.

Governments will come to agreements on basic rules on privacy, taxation, consumer protection, digital signatures, authentication and certification. Business will focus on self-regulatory approaches

and how they apply across borders. International organizations such as the World Bank will present how they plan to

tackle electronic commerce issues that pertain to their area of expertise.

## Privacy an important customer concern

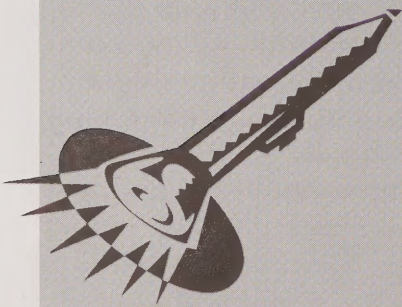
Canadian consumers are concerned about what companies do with the information they collect about them.

Computers and computer networks are raising the stakes. They have made it easier for firms to collect, use and sell information about their customers. The huge, and growing, market for this information has attracted the interest of governments, primarily because the way this information is used can affect individuals' basic human rights.

Rather than wait for legislation, it makes good business sense to respond to your customers' concerns about privacy now. The Canadian Standards Association (CSA) has published guidelines on how you can protect your customers' privacy. You can order a copy from the CSA (Catalogue # CAN/CSA-Q830-96, *Model Code for the Protection of Personal Information*) or download it from the CSA Web site ([www.csa.ca/83002-g.htm](http://www.csa.ca/83002-g.htm)).

This article is based on information from *The Protection of Personal Information — Building Canada's Information Economy and Society*, which is available on Strategis at: <http://strategis.ic.gc.ca/privacy>

## Moving faster on the Net



Have you ever felt that a new modem was slower than the numbers on the box promised?

The reason is that the "KBPS" (kilobits per second) number is a measure of capacity not speed. To understand the difference, imagine a race between a taxi and a bus. The taxi is faster, but the bus is more efficient if you need to transport 40 people because it has more capacity.

Extra capacity won't help, however, if the bus keeps getting stuck at traffic lights. When you hook up to any electronic network, there are similar "traffic" problems, collectively called "latency," and modems cause many of these problems. Larger capacity modems speed things up somewhat, but they don't get rid of latency.

You can reduce it though. One of the easiest solutions is to use an internal modem on a card rather than an external one — this eliminates one whole layer of latency between your computer and the modem. If you want still more speed, use one of the new connections on the market — coaxial connections from cable companies or ISDN and ADSL telephone connections — all of which feature less latency, and more capacity, than modem connections. (Your service provider can provide more information about these options.)





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Vol. 2, No. 1

GOVERNMENT  
Publication

# Electronic Commerce

*For business owners and managers*

## Prime locations pull them in and keep them coming back

The best real estate on the Internet is created not found. To learn how to get plenty of visitors coming to your Web site, you need to spend some time exploring the Internet.

A good way to get started is to visit sites related to your interests. You will quickly discover that the best of these provide information services in addition to their product line. A company selling traditional musical instruments might offer on-line tutorials; a company selling bicycles might provide news of competitive events not covered by the mainstream media; a bookstore might provide support services for book clubs.

"Walk in" business on the Internet usually comes by way of an Internet directory or a search engine, so you will also want to study these. On the simplest level, these are sites that help people sort through the immense amount of information on the Internet to find what they want. The best way to get a sense of how they work is to visit them.

Information on Internet directories is arranged based on questionnaires provided by site owners. Because they are so easy to use, most customers will find their way to your site through an

Internet directory. The popular Yahoo! (<http://www.yahoo.ca/>) site is a good example of how they work. Yahoo! combines a search engine with a directory.

Search engines use special software to collect information directly from Web sites. This approach is very thorough and makes a variety of searches possible but requires special skills on the part of the user to get the most out of it. A good example of a search engine is Alta Vista (<http://www.altavistacanada.com>).

One drawback to relying on search engines is that it is not uncommon for

a search engine to find dozens, even hundreds, of Web sites related to a given subject. It is, however, possible to code your site so that search engines rank it more highly. Each search engine uses slightly different rules. Check out the Search Engine Watch site (<http://searchenginewatch.com>) for some tips.

For more information on starting an electronic business, visit Industry Canada's *Strategis* Web site (<http://strategis.ic.gc.ca/SSG/mi05426e.html>).

## Bill C-54 moves electronic commerce strategy forward

Bill C-54, introduced on October 1, 1998, will help create the same level of trust, confidence and reliability for electronic commerce that Canadians now experience with ordinary business transactions.

The privacy issues addressed by Bill C-54, officially known as the Personal Information Protection and Electronic Documents Act, are particularly important for you as an electronic

merchant because information technology has greatly increased your power to collect, match, store and process personal information.

The privacy requirements of Bill C-54 are based on a national standard developed by the Canadian Standards Association (<http://www.csa-international.org>) to protect consumer interests without placing an onerous

*(continues on page 4)*

Canada



# Information services attract film buffs to La Boîte noire

What began as an electronic shop window for a Montréal video store has become a full-fledged electronic business.

La Boîte noire sells video and DVD versions of a wide variety of films and specializes in art films and independent productions. The company set up its Web site in 1996 primarily to publicize its extensive catalogue of films but has had success with on-line sales, says its president François Poitras. "The first year was slow but now our business increases every month."

One of the main reasons customers keep coming back is La Boîte noire's video guide *Tous les Films du monde* (All the World's Films). Film lovers visiting the site can search for information about their favourite movies by entering an

actor or director's name, the genre of the movie, the country or year of production, or keywords into the site's search engine. They can also buy a paper copy of the guide or, starting in late 1999, a CD-ROM.

The company has been exploring other value-added services to keep customers coming to the Web site, including an on-line chat room offered in conjunction with Montréal's local arts weekly, *Voir*, and an interactive information service.

La Boîte noire's Web site is bilingual and offers secure on-line payments. In the future, the company hopes to add a shopping cart feature and automatic confirmation notices.

Bring La Boîte noire to a screen near you by setting your browser to <http://www.boitenoire.com/>

## What it takes to get consumers to buy in

A recent Ekos Research Associates Inc. study found that no single factor makes consumers more or less likely to make a purchase on-line. Instead, factors such as price, security, reputation, location and return policy are all interrelated. Canadians were asked, "How likely would you be to do transactions electronically if..."

	Likely	Somewhat likely	Not likely
You did not know the location of the business . . . . .	5%	9%	86%
The business had no offices in your city . . . . .	27%	21%	52%
The business clearly indicated how it will use personal information . . . . .	35%	21%	43%
There was a government framework in place that establishes laws about electronic commerce . . . . .	45%	22%	32%
You could control how businesses use or disclose your personal information . . . . .	48%	16%	35%
The price was 10 percent cheaper . . . . .	48%	19%	32%
The business was Canadian . . . . .	48%	22%	28%
You were buying something from a small but well-known business . . . . .	51%	20%	29%
You were buying something from a large but well-known business . . . . .	55%	19%	26%
There was a return policy if customers were not satisfied . . . . .	56%	17%	27%
A bank guaranteed the transaction . . . . .	56%	16%	28%
The price was 20 percent cheaper . . . . .	58%	16%	25%

Adapted from a study by Ekos Research Associates Inc.

# Strategies that work

Del Seabrook of Sun-West Cellular (<http://www.gestorefronts.com/lumby/sun-west>) sells cell phones to people in major metropolitan areas, even though these centres have many local retailers.

Lesson learned? Some people will buy from a supplier long distance, even when supply is close at hand.

Accepting donations on-line is a new and effective way for charities to operate. CARE Canada (<http://www.gestorefronts.com/wn/care/>) was able to quickly add a page to its site to receive donations for victims of Hurricane Mitch as soon as the devastation made headlines. The charity soon began to receive significant donations.

Lesson learned? An Internet presence allows charities to respond to emergencies very quickly, to attract donors at the height of the media cycle.

## Electronic Commerce

### Let us know what you think

Let us know what information you would like to see in *Electronic Commerce* so we can serve you better.

Please send your comments by E-mail ([ecommerce@ic.gc.ca](mailto:ecommerce@ic.gc.ca)).

You will find a longer electronic version of this newsletter on-line (<http://strategies.ic.gc.ca/SSG/mi05426e.html>).

Aussi disponible en français sous le titre *Commerce électronique*.



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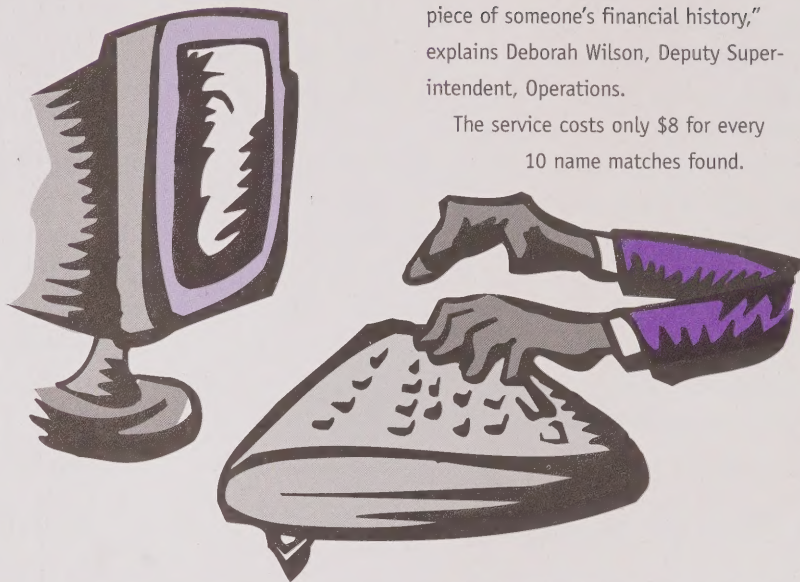


# Let your keyboard do the walking

The Office of the Superintendent of Bankruptcy has eagerly embraced the Internet as a way to help Canadians make better use of information it collects.

Two information services offered by the agency — the Insolvency Name Search database and Unclaimed Dividends Search — are now available on-line.

The Insolvency Name Search database is the better known of the two services. It has a well-established group of clients, such as landlords evaluating potential tenants, who use it to determine if companies or individuals they deal with have ever declared bankruptcy. "It is not the whole story but it is a very important



piece of someone's financial history," explains Deborah Wilson, Deputy Superintendent, Operations.

The service costs only \$8 for every 10 name matches found.

## Digital certificates poised to become a major security tool

You're about to do business with a company on the other side of the country. Suddenly it occurs to you that you've never so much as spoken to them on the phone. Can you trust them? Are your customers and suppliers really who and what they say they are?

Early adopters of electronic commerce have dealt with this issue through techniques such as passwords and user names to verify the identity of their customers and suppliers. The next, more sophisticated step may well be digital certificates.

Although the technology used for digital certificates is complicated, the service itself is easy to understand. A certifying agent

issues a certificate to an applicant who satisfies a series of security requirements, much in the way a credit card company issues a card to a qualified applicant. When a customer or supplier with a digital certificate hooks up to your secure site, your computer will receive a coded signal establishing that this person is who he or she says.

The major challenges facing digital certificates are establishing standards and gaining widespread acceptance. Major players in the industry, including both the agents issuing digital certificates and software companies, are working hard to increase awareness of and confidence in the technology.

The second service is currently being offered free as an introductory offer. Most Canadians have no idea that there is more than \$4 million in unclaimed dividends from bankruptcy settlements being held in trust by the Superintendent of Bankruptcy, explains Wilson. One Montréal man has \$22 924 waiting for him — all he has to do is submit a proof of claim.

Anyone who enters their name into the Unclaimed Dividends search engine will know within seconds if they are owed any money.

The agency intends to continue exploring possibilities for using the Internet to provide information services, says Wilson. "Among other options, we are looking at working with a private-sector service provider."

After registering with *Strategis* (no charge) at <http://strategis.ic.gc.ca>, you can try both services for yourself at <http://osb-bsf.ic.gc.ca>



## Bill C-54 moves electronic commerce strategy forward

(continues from page 1)

burden on businesses. They cover matters such as making customers aware of the purpose for which you are collecting personal information, not using that information without customers' consent, and letting customers review and correct the personal information held about them.

Initially, the legislation will apply to federal works, businesses and undertakings such as airlines, as well as interprovincial and international trade

in personal information. After three years, it will apply to all commercial activities and all transborder flows of personal information. However, organizations covered by substantially similar provincial legislation, such as Quebec's privacy law, may be exempted.

Although privacy is getting the lion's share of the headlines, key provisions of the bill also clarify how the courts assess the reliability of electronic records used as evidence and lay the groundwork for

federal departments and agencies to begin to do business electronically.

More information is available from the Task Force on Electronic Commerce Web site (<http://www.e-com.ic.gc.ca>). A full text of Bill C-54 can be obtained from the parliamentary Web site ([http://www.parl.gc.ca/36/1/parlbus/chambus/house/bills/government/C-54/C-54\\_1/C-54\\_cover-E.html](http://www.parl.gc.ca/36/1/parlbus/chambus/house/bills/government/C-54/C-54_1/C-54_cover-E.html)).

## The ten principles from the CSA privacy standard

### 1. Accountability

An organization is responsible for personal information under its control and shall designate an individual or individuals who are accountable for the organization's compliance with the following principles.

### 2. Identifying Purposes

The purposes for which personal information is collected shall be identified by the organization at or before the time the information is collected.

### 3. Consent

The knowledge and consent of the individual are required for the collection, use or disclosure of personal information, except when inappropriate.

### 4. Limiting Collection

The collection of personal information shall be limited to that which is necessary for the purposes identified

by the organization. Information shall be collected by fair and lawful means.

### 5. Limiting Use, Disclosure and Retention

Personal information shall not be used or disclosed for purposes other than those for which it was collected, except with the consent of the individual or as required by law. Personal information shall be retained only as long as necessary for the fulfilment of those purposes.

### 6. Accuracy

Personal information shall be as accurate, complete and up-to-date as is necessary for the purposes for which it is to be used.

### 7. Safeguards

Personal information shall be protected by security safeguards appropriate to the sensitivity of the information.

### 8. Openness

An organization shall make readily available to individuals specific information about its policies and practices relating to the management of personal information.

### 9. Individual Access

Upon request, an individual shall be informed of the existence, use and disclosure of his or her personal information and shall be given access to that information. An individual shall be able to challenge the accuracy and completeness of the information and have it amended as appropriate.

### 10. Challenging Compliance

An individual shall be able to address a challenge concerning compliance with the above principles to the designated individual or individuals accountable for the organization's compliance.









*Helroy*  
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